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SUBJECT: A/S BOUCHER AND PAKISTANI FM KASURI DISCUSS U-S
INDIA CIVIL NUCLEAR INITIATIVE

Classified By: Derived from DSCG 05-01, b and d.

¶1. (C) Summary: In an April 4 meeting with visiting SCA Assistant Secretary Boucher, Pakistani Foreign Minister Kasuri repeated Pakistan's request that the U.S. consider a "package deal" on civil nuclear cooperation that would include Pakistan as well as India. At a minimum, the U.S. should choose its words carefully to hold open the possibility that Pakistan might be included in the future. He complained that a deal that excluded Pakistan would undermine goodwill generated by U.S. earthquake assistance and contribute to a perception that the U.S. was an unreliable ally. Kasuri also expressed concern that the deal would indirectly bolster India's strategic nuclear program. A/S Boucher affirmed the U.S. commitment to Pakistan and stressed that the U.S. would deal with India and Pakistan based on their distinct needs (with Pakistan receiving some benefits not offered to India). He reiterated the U.S. conviction that the Civil Nuclear Initiative would lead to more power plants, not more weapons. End Summary.

¶2. (C) Kasuri noted that the U.S.-India Civil Nuclear Initiative had generated significant domestic criticism in Pakistan. The Pakistan Government had waited a decent interval before voicing its concerns that the Initiative was not a package deal (i.e., extending to both India and Pakistan).

¶3. (C) Kasuri expressed concern that the deal with India would erode the goodwill that had been generated by U.S. earthquake assistance and feed into a long-standing Pakistani perception that the U.S. was an unreliable friend. People felt "let down" he said, and they worried that history was repeating itself. Kasuri suggested "changing the language" used to describe U.S. reservations about a similar nuclear initiative with Pakistan. He recommended latching onto Secretary Rice's formulation "for the time being" and

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regretted Energy Secretary Bodman's statement that such an initiative with Pakistan "was not possible."

¶4. (C) A/S Boucher responded that the relationship with Pakistan was very important to the United States and that Pakistan's success as a moderate, democratic nation was a top administration priority. The depth of U.S. commitment had already been amply demonstrated diplomatically, financially and in terms of personal relations among the leaders. With respect to perceptions of the President's visit, Pakistanis

should stop to consider that Pakistan had also received deliverables that India had not, such as a range of educational initiatives and trade initiatives, including the Reconstruction Opportunity Zones. The intent of dehyphenation was that each country's particular needs should be addressed. Nor was the United States oblivious to Pakistan's security concerns, A/S Boucher continued, recalling how India had earlier reacted (negatively) to the granting of Major Non-NATO Ally status to Pakistan.

15. (C) A/S Boucher observed that there are strong arguments to counter concerns raised by the non-proliferation community. As a consequence of the agreement, India's available facilities to produce enriched fuel for weapons would be halved. Kasuri responded by expressing concern that the agreement would permit India to use all of its domestically produced fuel for weapons once it could import fuel for power generation. Boucher replied that this argument would only hold if availability of fuel were a genuine constraint on India's weapons program, which it was not; in any case, nations habitually put their security concerns foremost. If there were a trade-off between weapons and energy, weapons would prevail. The U.S. had analyzed the Initiative carefully and was convinced that it would lead to more power plants, not more weapons.

16. (C) Kasuri countered by observing that the same logic should apply to Pakistan. What was achieved by denying Pakistan access to nuclear energy? By 2030, Pakistan would be the fourth largest country in the world (in terms of population), and without cleaner fuel there would be implications for the global environment. Pakistan understood the damage done by AQ Khan (though it chafed at being repeatedly reminded), but how could it now move forward?

17. (C) A/S Boucher underscored that the United States was a
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long-time champion of the NPT and non-proliferation regime. Thus it was not a question of why Pakistan was being denied the nuclear option. It was rather a question of why India was uniquely qualified, and the U.S. saw only one set of circumstances that merited this exception.

18. (C) Note: the nuclear power issue also came up in a subsequent meeting, reported separately, that the A/S held with Foreign Secretary Khan. Khan argued that the initiative was a "missed opportunity" for a package deal that would have included Pakistan, and that instead it had created an "optic of discrimination." Pakistan had a case, he said, and would continue to press it. End Note.

19. (U) This cable has been cleared by A/S Boucher.
CROCKER